

REMARKS

The Office Action dated September 6, 2007, has been received and carefully reviewed. The preceding amendments and the following remarks form a full and complete response thereto. Claims 1-3 and 6-9 are amended as to matters of form. No new matter is added. Claims 1-4, 6-13, 15-27, and 29-38 are pending in the application and submitted for reconsideration.

Claim 6 was rejected under 35 U.S.C. § 112 as being allegedly indefinite. Claim 6 is amended to change "qualified recipients" to "participants." Thus, the applicant submits that claim 6 complies with the requirements of 35 U.S.C. § 112 and requests that the rejection be withdrawn.

Claims 1-4, 6-13, 15-27, and 29-38 were rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Rickard in view of Huttenlocher. The Applicant respectfully traverses the rejection and submits that the claims recite subject matter not shown or suggested by the cited prior art.

The present invention as claimed is directed to systems and method for performing a batch auction of trade orders. The batch auction can be conducted immediately preceding or following a stoppage in trading on a continuously traded financial market for a security, which may include an intermediate "cross." The claimed invention is characterized by steps or components that prevent gaming by prohibiting of requests to modify already submitted trade orders if they fail to meet certain conditions. The auction also determines an optimum price at which to execute

orders in batch, which reflects true market forces while eliminating gaming that is prevalent in the prior art auction processes. According to the invention, participants in the batch auction are continuously provided with current order information entered into the order book during the acceptance period, such as an indicated price and trade order imbalance. In return, auction participants can enter new orders and/or modify previous orders if they satisfy a set of predetermined criteria, as fully explained in the present application with reference inter alia to Fig. 2 of the application. Consequently, the opportunity for gaming is substantially reduced or eliminated, while allowing participants to place orders based on a fuller understanding of true market conditions.

None of the prior art teaches any methodology for performing a batch auction having the inventive anti-gaming features, during a trading stoppage on a continuously traded market, such as an intraday cross, as claimed by the present application.

Rickard is completely unrelated to the present invention. Rickard is directed to an options exchange, not a batch auction for trading securities on a trading market as claimed in the present application. Rickard determines a set of "implied volatilities" and is focused on the achievement of satisfaction profile densities, a unique aspect of the Optimark system. Rickard failed to disclose many features of the present invention, including the above-described anti-gaming features of the present invention.

Huttenlocher is directed to a dynamic order visibility system that merely allows a user to control who sees that user's trade orders. A matching system receives orders which may include a constraint related to a dynamic visibility group defining desired

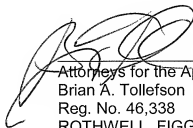
recipients of displayed information. See, e.g., Abstract of Huttenlocher. A display filter ensures that a given order is made available only to participants in the selected visibility group. Para. 0040 of Huttenlocher. However, Huttenlocher fails to disclose the transmission of order information to auction participants during an order acceptance period of the auction, and accepting new orders and modifications to existing orders only if they satisfy a set of predetermined criteria, as defined by the claimed invention. Thus, Huttenlocher fails to cure the many deficiencies of Rickard and the combination of cited prior art fails to disclose or suggest each and every element of claims 1-4, 6-13, 15-27, and 29-38. Accordingly, the Applicant submits that the rejections to claims 1-4, 6-13, 15-27, and 29-38 are improper and requests that the rejections be withdrawn.

In view of the above, the Applicant submits that the application is now in condition for allowance and requests that claims 1-4, 6-13, 15-27, and 29-38 be allowed and this application passed to issue.

In the event that this paper is not timely filed, the Applicant respectfully petitions for an appropriate extension of time. Any fees for such an extension together with any additional fees may be charged to Counsel's Deposit Account No. 02-2135.

Respectfully submitted,

March 6, 2008
Date

A handwritten signature in black ink, appearing to read 'B. Tollefson', is written over a horizontal line.

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